IN THE

Supreme Court of the United States

OCTOBER TERM, 1941

No. 680

U. S. INDUSTRIAL CHEMICALS, INC.,
Petitioner,

vs.

CARBIDE AND CARBON CHEMICALS CORPORATION,
Respondent.

APPENDIX II TO BRIEF FOR RESPONDENT

Post Printing Company, Inc., 80 Lafayette Street, New York, N. Y.

INDEX OF CASES

	PAGE
Abercrombie & Fitch v. Baldwin, 245 U. S. 198	1, 6
Keller v. Adams-Campbell Co., 264 U. S. 314	1, 8, 14, 19, 20, 24, 26
American Automotoneer Co v. Porter, 232 Fed. 456	2, 26
Autopiano v. American Player Action Co., 222 Fed. 276	2, 24
Crown Cork & Seal Co. v. Aluminum Stopper Co., 107 Fed. 845	2, 14
General Electric Co. v. Richmond Street & Interurban Ry. Co., 178 Fed. 84	2, 19
Howe Machine Co. v. Coffield Motor Washer Co., 197 Fed. 541	2, 20
Somag Chain Stores Co., Ltd. v. National Nut Co., 310 U. S. 281	10, 33, 38, 41, 42, 43
Ashland Fire Brick Co. v. General Refractories Co., 27 F. (2d) 744	2, 38
Ashley v. Samuel C. Tatum Co., 240 Fed. 979	2, 33
Christman v. New York Air Brake Co., 1 F. Supp. 211	2, 42
Moto Meter Gauge & Equipment Corp. v. E. A. Laboratories, Inc., 55 F. (2d) 936	2, 41
Wooster v. Handy, 21 Fed. 51	2, 43

APPENDIX II

DIGEST OF DECISIONS ON INTERVENING RIGHTS

RESUME OF THE DECISIONS

The Reissue Statute has no expressed provision for the defense commonly called "Intervening Rights". The statute states

> "Every patent so reissued, together with the corrected specification, shall have the same effect and operation in law, on the trial of all actions for causes thereafter arising, as if the same had been originally filed in such corrected form; • • • "

The earliest decision of this Court rejected pleas of reissue infringers for immunity to continue manufacture and sale which had begun prior to the application for the reissue and without infringing the original patent, *Grant* v. *Raymond*, 31 U. S. 217 [1832].

In the case of *Abercrombie & Fitch Company et al.* v. *Baldwin et al.*, 245 U. S. 198, [1917], the defense of intervening rights, as such, was first dealt with by this Court, and there denied on the particular facts involved in affirmance of the District Court and the Circuit Court of Appeals for the Second Circuit.

In the still later case of *Keller* v. *Adams-Campbell*, 264 U. S. 314, [1924] this Court dismissed a writ of certiorari as improvidently granted but commented on the defense of

intervening rights as applied by the various Circuit Courts of Appeals in

Crown Cork & Seal Co. of Baltimore City v. *Aluminum Stopper Co. of Baltimore City et al.*, 108 Fed. 845

General Electric Co. v. *Richmond Street & Interurban Ry. Co.*, 178 Fed. 84

A. D. Howe Mach. Co. v. *Coffield Motor Washer Co.*, 197 Fed. 541

Autopiano Co. v. *American Player Action Co.*, 222 Fed. 276

American Automotoneer Co. v. *Porter*, 232 Fed. 456

In the latest case of *Sontag Chain Stores Co., Ltd.* v. *National Nut Company*, 310 U. S. 281, [1940] this Court reversed the decision of the court below which had rejected the defense of intervening rights on particular facts and after reference to

Ashley v. *Samuel C. Tatum Co.*, 240 Fed. 979

Moto Meter Gauge & Equipment Corp. v. *E. A. Laboratories, Inc.*, 55 F. (2d) 936

Christman v. *New York Air Brake Co.*, 1 F. Supp. 211

Wooster v. *Handy*, 21 Fed. 51

this Court quoted with approval from *Ashland Fire Brick Co.* v. *General Refractories Co.*, 27 F. (2d) 744.

During the hundred years between *Grant* v. *Raymond* and the *Sontag* case most of the reissue cases decided by this Court involved facts where the reissue patent had been motivated by the patentee's belated knowledge of independently conceived and materially different subject matter which had gone into public use and was free from

infringement of his original patent and by the patentee's belated effort to entrap such subject matter by broadened reissue claims. The decisions in those numerous cases turned on issues of novelty, or scope, or laches in the light of such circumstances, as appears from the quotations collected in Appendix I to Brief for Respondent. This Court itself recognized in *Topliff* v. *Topliff*, 145 U. S. 156, as to those reissues which had been held invalid since the *Mahn* v. *Harwood* case reported in 112 U. S. 354, that

> "it will be found that the opinion of the court was put upon the ground, either that the patentee had been guilty of inexcusable laches, usually of from four to sixteen years, or that circumstances had occurred since the granting of the original patent which made the reissue operate harshly or unjustly to the defendant in the case."

The doctrine of intervening rights, the equity considerations on which it firmly rests, and the extent of its application by this Court and by the courts of various circuits, are fully exemplified in the decisions in the *Abercrombie & Fitch* case, the *Keller* case, and the *Sontag* case above cited, and the lower court decisions there referred to, from all of which the pertinent facts and conclusions are excerpted *infra*. Examination of these is believed to indicate a less unsettled character of the question than might have been expected to be found in advance of more numerous decisions on the point by this Court.

I.

Through all of the decisions, the controlling test is recognized and applied that a reissue patentee who has acted in good faith prevails against a defendant who has acted in

less good faith, on the one hand; and a defendant who has acted in good faith prevails against a reissue patentee who has acted in less good faith, on the other hand.

II.

It is likewise the consistent and established rule (to which we believe there has been no exception) that the immunity to be safeguarded the possessor of intervening rights is an immunity for continuing manufacture, use or sale after the grant of the reissue of *actual manufacture, use or sale* which existed in good faith and without infringing liability between the date of the grant of the original patent and the date of the application for the reissue patent.

III.

In all these decisions there runs the consistent thread that the bona fide manufacture, use or sale, which intervened and the continuance of which cannot be interfered with by the reissue patentee, was a consummated, open, industrial adjunct of defendant's business. No distinction has necessarily been drawn with reference to the mere magnitude of the intervening operations. On the other hand, uniform emphasis has been placed on the effectuated and commercial character of such operations.

Manifestly, mental reflection, however deliberate, and mere experimentation, however studious, about academically free *possibilities* after the date of the original patent and before the date of the application for its reissue cannot alone afford a supportable basis for an immunity with respect to a commercial realization begun and consummated only after the filing date of the application for the reissue. To hold otherwise would seem to open the door to fraud by the unscrupulous infringer.

IV.

In the case of original patents, the Court may take judicial notice of the fact that the applications therefor are frequently pending for long intervals and always pending in secrecy, and that as an inevitable consequence the relevant industry moves forward by spending thought, effort and money subject to the risk of liability from future patents then inchoate. That risk has not been unduly burdensome to American industry. The analogous risk with respect to reissue patents is much less. In the first place, the reissue patent must always be for the "same invention" as the original, which is a public document. In the second place, in the case of broadened reissues (where alone the analogous risk occurs) the application for the reissue must have heretofore been filed within two years of the grant of the original under the settled law, and hereafter by analogy due to the change in the statute within one year of the date of the original patent. In the third place, the mere number of reissue patents is trifling in comparison with that of original patents. In the fourth place, in contradistinction to the secrecy of the pendency of original applications, the fact of pendency of reissue applications is a matter of available public record under the rules of the Patent Office.

V.

The statutory provision for reissuance of defective patents, properly qualified, is an integral, vital, though minor, part of the patent system.

The law with respect to the issues of "same invention" and "intervening rights" is crystallized in the language of District Judge Mayer in *Baldwin* v. *Abercrombie & Fitch Co.*, 227 Fed. 455, (affirmed by this Court 245 U. S. 198):

> "Reissues often present troublesome questions, but the ultimate test, I think, is good faith." (458)

THE DECISIONS ON INTERVENING RIGHTS

ABERCROMBIE & FITCH CO. v. BALDWIN, 245 U. S. 198 [1917]

Interval—7 years

Motive of Reissue—The suit in the Seventh Circuit on the original patent resulted in a holding of non-infringement. The reissue patent was obtained and a suit on it in the Third Circuit resulted in holding that the claim was broader than the original and that the reissue was void. A second suit on the reissue in the Second Circuit resulted in a holding that the reissue patent was valid and was infringed by a device like that which the Seventh Circuit had held not to infringe the original patent.

Certiorari was granted on conflict of decisions.

Subject Matter—the chronology of facts was as follows:

Original applied for....	July 15, 1903	
Original granted	May 22, 1906	
Original held valid and infringed	Apr. 1911	(By D.C.)
Defendant began selling its lamps	July 1911	
Original held valid but not infringed	Apr. 23, 1912	(By C.C.A. 7)
Reissue applied for....	Feb. 5, 1913	
Reissue granted	Mar. 11, 1913	
Reissue held invalid....	Jan. 22, 1915	(By C.C.A. 3)
Reissue held valid and infringed	Feb. 6, 1915	(By D.C., N.Y.)
Reissue held valid and infringed	Nov. 9, 1915	(By C.C.A. 2)

Commercial sale of accused lamps began five years after original patent issued and one and a half years prior to application for reissue.

HELD

"To the contention that the Justrite Company, the manufacturing defendant, acquired rights before the re-issue we again may oppose the reasoning and conclusion of District Judge Mayer and their affirmance by the Circuit Court of Appeals. The learned judge said: 'It will be remembered that this company entered the field with its lamp at a time when the validity and scope of the Baldwin patent were still unquestioned and when after some five years of capable effort, the Baldwin lamp had created an extensive market. The Justrite Company took its chances, and, in view of the necessities of the situation, it is relieved of all accountability for the period prior to the granting of the reissue patent; but when the reissue was granted the Justrite Company again took its chances.

By the reissuance of the patent, the patentee loses all in the way of an accounting under the original patent, but the dominant purpose of the reissue statute was to save to the inventor the future remaining after the reissue.

I see nothing in the course of plaintiffs or defendants which would allow a court of equity to conclude that defendants are to be relieved because of intervening rights.'" (209-210)

KELLER v. ADAMS-CAMPBELL CO., 264 U. S. 314 [1924]

Interval—6 months

Subject Matter—The original patent was issued in Nov. 1918. Defect was discovered April 1, 1919. Reissue was applied for May 22, 1919, and the reissue patent granted July 20, 1920.

HELD

"A. F. Kipper, who was the active person among the defendants in designing and promoting the manufacture of the windshield charged to be an infringement, was familiar with the device, the specifications and claims of Keller. He conceived of his device in December of 1918, made some models of it in February of 1919, and in association with one Dick Smith, got up some experimental dies and tools for its manufacture and sale in April and May of that year. Kipper was an employee of Adams-Campbell Company and that firm in August of 1919 made a contract with Kipper to go into the business of making and selling his product.

The suit for infringement was begun July 1, 1921." (315-316)

"We granted certiorari upon the allegation of the petition, not denied by opposing counsel, that the sole question was

whether one who makes and sells articles not covered by the claims of an original patent, but embraced by the enlarged claims of a subsequent valid reissue, applied for within seven months after the original was granted, has intervening rights such that he is not only immune from liability for what he has made and sold, but enjoys an irrevocable and permanent license to continue to make and sell without restriction.

The extent of the operation of the estoppel creating intervening rights in such a case presents a question not free from difficulty. That a reissued patent enlarging claims of the original, although not specifically mentioned in §4916, Rev. Stats., is authorized by that section, when the failure to claim the larger claims justified by the actual invention was due to inadvertence, accident or mistake, is settled by the decision of this Court in *Topliff* v. *Topliff*, 145 U. S. 156, and other cases. That case also recognizes that one who, pending the application and granting of the reissue, manufactures and sells articles which infringe the reissued patent may be protected on principles of estoppel from the literal application of §4916, Rev. Stats., which makes the operation of the reissue relate to the date of the original patent. In *Abercrombie & Fitch Co.* v. *Baldwin*, 245 U. S. 198, a change, in the reissue, of the language of an original claim made it cover not only a bent pipe as shown, but a straight pipe as well, where the substance of the invention included both, and it was held that the intervening rights of immunity of the infringer did not extend beyond the date of the reissue. It is insisted, however, that the *Fitch Case* was not one of an enlarged claim, or at any rate that a reissue was unnecessary because the original claim would have sufficed. The views of the Circuit Court of Appeals on the general subject of the scope of intervening rights are not entirely easy to reconcile. *Crown Cork & Seal Co.* v. *Aluminum Stopper Co.*, 108 Fed. 845; *General Electric Co.* v. *Richmond Ry. Co.*, 178 Fed. 84; *A. D. Howe Mach. Co.* v. *Coffield Motor Washer Co.*, 197 Fed. 541; *Auto-*

piano Co. v. *American Player Action Co.*, 222 Fed. 276; *American Automotoneer Co.* v. *Porter*, 232 Fed. 456. The question, if it were really before us, would be one sufficiently important therefore to justify our consideration of it on certiorari." (317-318)

"• • • what the courts [below] really held was that the defendants were manufacturing a different invention from that of the plaintiffs, and so could not and did not infringe. Such an ordinary patent case with the usual issues of invention, breadth of claims and non-infringement, this Court will not bring here by certiorari unless it be necessary to reconcile decisions of Circuit Courts of Appeals on the same patent. We therefore find ourselves mistaken in assuming that an important issue of general patent law under §4916, Rev. Stats., is here involved. The result is that an order must be entered dismissing the writ of certiorari as improvidently granted at the costs of the petitioner." (319-320)

SONTAG CHAIN STORES CO., LTD. v. NATIONAL NUT COMPANY, 310 U. S. 281 [1940]

Interval—1 year, 7 months

Subject Matter—The chronology of facts was as follows:

Original patent issued	May 15, 1934
Manufacture of accused machine began	Aug. 1934
Defendant's accused use began	Apr. 1, 1935
Notice of infringement of the original patent	Oct. 8, 1935
Suit began on original patent	Oct. 19, 1935
Defendant denied infringement	Nov. 22, 1935
Application for reissue filed	Jan. 15, 1936
Reissue granted	June 30, 1936
Suit begun on reissue	Jan. 26, 1937

HELD

"Kohler's patent—No. 1,958,400—with four narrow claims, issued May 15, 1934.

Petitioner procured and began to use the machine here accused about April 1, 1935. It first obtained actual knowledge of the original patent October 8, 1935 when notice of infringement was received. Nothing shows earlier knowledge by the manufacturer who began to make and sell like machines not later than August 1934.

By suit filed in the District Court, October 19, 1935, respondent charged petitioner with infringing the original patent, and asked appropriate relief. Infringement was denied by answer, November 22, 1935.

January 15, 1936 respondent applied for and on June 30, 1936 obtained a reissue patent—No. 20,024—with seventeen claims. The first four were identical with the original ones; thirteen of broader scope cover petitioner's machine. Respondent was moved to obtain the reissue by petitioner's use of the accused machine." (282)

"For present purposes we assume, without deciding, correctness of the conclusion that the reissue patent was valid and infringed, and upon that assumption, we come to consider the effect of the enlarged claims upon petitioner's machine, lawfully manufactured and operated prior to their inception. There is nothing to show dishonesty, bad faith, or deceptive intention upon petitioner's part." (285)

"Recapture within two years of what a patentee dedicates to the public through omission is permissible under specified conditions, but not, we think, 'at the expense of innocent parties.' Otherwise, the door is open for gross injustice to alert inventors and baffling uncertainty will hinder orderly development of useful arts.

The District Court properly ruled that petitioner had 'acquired intervening rights which in equity plaintiff [respondent here] might not now disturb'.

In *Ashland Fire Brick Co.* v. *General Refractories Co.*, (1928) 27 F. 2d 744, 745-746, the matter of 'Intervening Rights' was lucidly discussed. The opinion states the case thus—

> 'This is the usual suit for infringement, based upon reissue patent No. 15,889, August 12, 1924, to Tackett for a brick machine. The defense chiefly relied upon in the court below and here is that, between the date of the original issue and the application for the broadened reissue, the defendant had built and begun to operate its machines in a form which was not covered by the original patent, even though it were by the reissue, and that the defendant had thus acquired such a right, intervening with reference to the original and reissue, as to make it inequitable to enforce against it the later and broader monopoly.'

And it concluded—

> 'Because the claims of the original patent were limited as to the form of conveyor, and because after the issue of the original patent and with knowledge of it and expressly appreciating its limited character, indeed, being governed therein by the advice of patent counsel, the defendant built a noninfringing brick machine, and still before the reissue application another one, at a substantial expense, and put them into commercial use on a large scale by extensively selling their product, and thus made them substantially material to its manufacturing business, the defendant thereby acquired at least a right to continue to use these two machines as if it held a license therefor under the reissued patent.'

We think this conclusion was right and appropriate in the circumstances presented.

In the instant case the accused machine went into operation when the owner had no actual knowledge of the original patent; but that circumstance we think ought not to defeat the defense based upon intervening rights. All patents must 'be recorded, together with the specifications, in the Patent Office in books to be kept for that purpose.' U.S.C. Title 35, §39. Constructive notice of their existence goes thus to all the world. *Boyden* v. *Burke,* (1852) 14 How. 575, 582; *Wine Ry. Appliance Co. v. Enterprise Ry. Equipment Co.* (1936), 297 U. S. 387, 393; Walker on Patents, Deller's Edition (1937) Vol. 3, p. 2176. In consequence the owner of the machine here accused operated it with implied knowledge of the original patent and may justly claim whatever privileges would follow actual knowledge.

Grant v. *Raymond, supra,* speaks disparagingly of one who having obtained knowledge of an invention from a patent thereafter appropriates what might have been claimed but was not. In the different conditions of today that observation would not be appropriate. We cannot conclude that one so circumstanced occupies a position superior to an honest inventor or user who has acted with implied but no actual knowledge of a recorded patent. 'The purpose of the statute undoubtedly was to provide that kind of relief which courts of equity have always given in cases of clear accident and mistake in the drawing up of written instruments,' and these courts are always tender of rights claimed by innocent parties. 'A sense of justice and of policy' shelters them." (293-295)

Cited in *Keller* v. *Campbell*, 264 U. S. 314

CROWN CORK & SEAL CO. OF BALTIMORE CITY v. ALUMINUM STOPPER CO. OF BALTIMORE CITY *et al.*, 108 Fed. 845 [C. C. A. 4th] [1901]

Interval—7 months

Motive of Reissue—To effectuate protection of real invention.

Subject Matter—The patent dealt with bottle caps. The Court reviewed many of the decisions of the Supreme Court of the United States and passed on both the defense that the reissue was not for the same invention as the original and on the defense of intervening rights.

HELD

[As to same invention and bona fide inadvertence]

"In the present case the reissue is strictly confined to the invention described in the original and included under the statement therein. It does not fall within the class of cases represented by Miller v. Brass Co., 104 U. S. 350, 26 L. Ed. 783, or Coon v. Wilson, 113 U. S. 268, 5 Sup. Ct. 537, 28 L. Ed. 963, where a different invention is described in the claim, but in that other class where reissue is authorized by the plain terms of the statute and by a long line of decisions of the supreme court, where the patent had failed to clearly and adequately secure the invention upon which the original was founded, and where the unquestionable object and effect of the reissue was to cover an invention not covered by the original claims. In this class of cases there should not be applied a stricter rule of diligence than that applied by statute in case of public use before application for the patent, even if so strict a limitation as that is applicable. The suggestion in Miller v. Brass Co., and other like cases, of two years as the ordinary limit of

reasonable diligence, was based not upon any such limitation in the statute, but upon the fact that the two years were allowed for amendments after action of the patent office, and two years was the limit of public use allowed before application for the patent. The learned counsel for defendants assumes that the subject is so simple that Painter should have discovered instantly, upon reading the original patent, the occasion for the reissue, if it existed. He forgets that what seems so simple and easy to him, a past master of the subject, was not so to a mere inventor, unskilled in the art of interpretation, who could not, upon a mere reading of his patent, determine what his claims covered. Painter had no hesitation and no doubt what his invention covered, and almost immediately upon the hearing of the issue of Hall's patent he said that it was covered by his invention; but it was not until he was advised by his lawyer that he learned that his claims were not commensurate with his invention, and there was no delay then in filing his application for reissue. Some allowance may well be made for an unlearned man, when we remember that in the recent case of Westinghouse v. Power-Brake Co., 170 U. S. 537, 18 Sup. Ct. 707, 42 L. Ed. 1136, the supreme court itself required three hearings before it could determine the meaning and scope of the patent claims, and the record in this case shows that such learned experts as General Spear and Mr. Walker differ radically as to what the claims of the original patent cover." (857)

"It will not be profitable to continue the citation of the numerous cases on this subject. Analysis of them will show that there is a distinction well marked between reissues broadening the claims of the original, but confined to the invention therein exhibited, which the courts sustain, and reissues that depart from the invention exhibited in the original and included under its statement of invention.

Where there has been an expansion of the patent to describe inventions substantially different from the original, covering nebulous combinations not exhibited therein, and where there has been protracted and unreasonable delay in face of the manufacture of articles not substantially covered by the original invention, the reissue has been held void; but the courts, recognizing the fact that the ordinary inventor is not usually skilled in technical rules of construction, and is apt to suppose that his claims protect him in the essential elements mentioned in them, and that these claims and specifications are usually drawn by men who are strangers to and ignorant of the art within which they lie, and that even skilled solicitors are not infallible in framing technical documents, have sanctioned reissues which permit the framing of claims adequate to secure the full benefits of the inventions designed to be protected by the patent laws." (858)

"It is also argued that claim No. 5 of the reissued patent is broader than any claim of the original patent. We are of opinion that this claim is germane to the invention exhibited in the original, and is included under the statement of invention of the original. It does not exhibit any change in the nature of the invention described, and it simply gives a more adequate description of such invention, which enlarges the claim, but does not enlarge the invention." (859-860)

HELD

[As to Intervening Rights]

"We are further of opinion that there has been in this case no unreasonable delay and no intervening right which forfeits or waives the right of reissue covered by the statute. The Hall patent was applied for in February, 1894, and the application for it could not have been induced by the limitations in the claims of the Painter patent, and there is no reason to believe that the course of the parties

claiming under it was in any respect different from what it would have been if the original had been precisely in the terms of the reissue. Under all the circumstances of this case, the application for reissue was made within a reasonable time. No notice of any manufacture, use, or sale under the Hall patents was brought to the knowledge of Painter before his application for reissue, and there was no manufacture or sale or publicity such as to import notice to him. The case would be different if Painter had unreasonably delayed to assert his rights to reissue after such notice was brought home to him, and where his silence and inaction had misled other parties to their injury; and the fact that the original patent contained a statement of his invention which covered the subject-matter of the reissued claim, and that a reissue to fully secure the invention disclosed was authorized by law, was sufficient notice that this patent was subject to such right of reissue, which right was liable to be exercised at any time at least within two years. The spirit and terms of the law authorizing reissues would be defeated, and the obvious purpose of its enactment would be ineffectual, if we applied to this case those restrictions which some of the decisions apply to cases where there has been long delay in the application for reissue, and the obvious purpose of such applications has been to appropriate subsequent independent inventions not originally disclosed in the patent.' (860)

"The ninth defense raises the question of equitable estoppel, arising out of the conduct of Painter, who, as alleged, stood by for nearly seven months and saw Keizer and his associates organize a company and expend large sums of money in the development of the Hall patent. We need not repeat what has been already said upon this point in the discussion of the questions raised upon the reissue. Within two weeks after the issue of the Hall patent, Painter sent a message to Keizer that he considered the Hall patent an infringement. A competent expert had testi-

fied that this patent infringed some of the claims of the original Painter patent. Keizer is presumed to have known the law which entitled Painter to a reissue. He was entirely familiar with the Painter inventions. He took his chances in the lottery of infringement, and has lost, and cannot be heard now to complain that he was misled." (868)

"The inventive idea whereby a bottle-sealing device of great economy of material, great facility in operation, and great stability in maintenance was secured by the joint and cooperating action of elements which had never before been combined to accomplish the same purpose or operate in the same way was entirely original with Painter. Nothing in the prior art affects his patent. The defendants enjoyed the unusual opportunity of presenting to the trained experts of the patent office every substantial defense which has been presented here. The original and reissued patents were granted in strict accordance with the law. The claims therein clearly cover the invention disclosed in the defendants' patent, and the infringement is so apparent that the experts called by them have scarcely disputed it. Painter's invention is not one of those great epoch-marking discoveries like that of printing, or the steam engine, or the electric telegraph, which opened to their inventors the portals of the Pantheon of the immortals. For such as these the love of fame and the glory of being benefactors of the human kind served alike as motive and reward, but to the patient laborer in workshop and factory the incentive of fame and glory is absent. For them the stimulus of the rewards offered by our patent laws is needed to encourage by the hope of profit that zealous eagerness to improve processes, to remedy defects in machinery, to invent new methods and appliances for saving labor and cheapening production in the numberless articles that are in daily use. It is this stimulus that has made the American mechanic the most alert, observant, and studious of any in the world, and it is the indefinite multiplication of these

small inventions and improvements that has wrought an industrial revolution and brought his country to the forefront of the world s commerce. It was the consciousness that in the knapsack of every private soldier there might be the baton of a marshal of France that inspired her soldiers to unparalleled achievements. In our unheroic, industrial age the central processes of a nation's life lie in production and distribution. The protection and hope of profit held out by our patent laws inspires that stimulating energy which leads to experiment, invention, and all the resulting benefits; a refusal of that protection in a proper case will deaden and destroy it." (869-870)

Cited in *Keller* v. *Campbell*, 264 U. S. 314

GENERAL ELECTRIC CO. v. RICHMOND STREET & INTERURBAN RY. CO., 178 Fed. 84 [C. C. A. 7th] [1909]

Interval—10 years

Motive of Reissue—To enlarge claim to dominate interim different device.

Subject Matter—The patents dealt with an electrical circuit breaker. The reissue changed the description but not the subject matter and broadened the claim. The decision was controlled by the doctrine, well established by then, that broadened reissues filed after a delay of more than two years are invalid.

HELD

"Inevitably it follows, we conclude, that the application to recast the claims now under consideration was made, not for the purpose of narrowing the original patent because the patentee had claimed too much, but rather for the purpose of holding a wider monopoly than could have been

built up under the invention as described and disclosed in the original patent. Under the teachings of Miller v. Brass Co., 104 U. S. 350, 26 L. Ed. 783, and other authorities cited, such an attempt must be held futile.'" (90)

Cited in *Keller* v. *Campbell*, 264 U. S. 314

A. D. HOWE MACH. CO. v. COFFIELD MOTOR WASHER CO., 197 Fed. 541 [C. C. A. 4th] [1912]

Interval—7½ years

Motive of Reissue—Broadened claims to effectuate protection.

Subject Matter—The patents dealt with water motors for washing machines. The Court preliminarily considered the prior art to ascertain the true stature of the invention. It found the patentee a pioneer in a narrow field. It recognized the defense of intervening rights as a question in equity and it ruled against the defendant on clear equitable considerations.

HELD

[As to same invention]

"Respondent says that whether Coffield invented anything or not is beside the mark. In any event, the reissue patent in suit is void. According to this contention, it is invalid because a second and broader claim was by the reissue added to the single claim of the original." (545)

"[1] A reissue patent is not necessarily void because its claims are broader than those of the original. Crown Cork & Seal Co. v. Aluminum Stopper Co., 108 Fed. 857, 48 C. C. A. 72.

[2] The same case holds that a delay of 6 months and 28 days between the grant of the original and the application for the reissue was not of itself fatal to the latter.

The interval in this case is only 18 days longer. We do not think that the difference is great enough to be in itself, and apart from other circumstances, important. It is true that the reissue may not validly claim an invention not clearly shown in the original patent. Parker & Whipple Co. v. Yale Clock Co., 123 U. S. 87, 8 Sup. Ct. 38, 31 L. Ed. 100; Marvel Buckle Co. v. Alma Mfg. Co. (C. C.) 180 Fed. 1002, affirmed by this court without opinion 196 Fed. 1006, 115 C. C. A.—(May 11, 1912).

Nothing of this kind has been here attempted. The added claim of the reissued patent would have been in place of the original. The description of the invention there given was quite broad enough to have supported it." (545)

HELD

[As to intervening rights]

"Unless intervening rights which we are bound to consider arise between the grant of the original patent and the application for reissue, there is no reason why the latter should not be held good. Respondent contends that there are such rights, and that because of them the patent in suit must fall.

[3] What are the facts? On July 21, 1905, E. J. Ornold wrote to complainant that he had chanced to see one of the latter's circulars describing its power washer. He said that he had had quite an experience with different washers, and that the complainant had a winner. He asked if complainant had any representative in the Wheeling, W. Va. territory. If it had not, he would like to have its best terms, etc. On September 18, 1905, an agreement was entered into between the complainant and Ornold by which

the latter was given the exclusive right for five years to sell the complainant's machine in Ohio county, W. Va. It was agreed that Ornold should work that territory to the best of his ability and means and should forfeit all rights under the agreement if he or his assigns should attempt to sell any competing machines. In the same month of September, 1905, Ralph W. Howe, who, as before stated, was then trading as the A. D. Howe Machinery & Supply Company, saw for the first time one of the complainant's machines. It was on exhibition at the West Virginia State Fair at Wheeling. Howe had then known Ornold for about four years. In October, 1905, the very month after Ornold made his written agreement with complainant and after Howe had first seen the Coffield m tor, they began manufacturing a motor for the same purposes as those for which complainant's were made and sold.

When these facts, or some of them, came to complainant's knowledge, it put an end to Ornold's agency for it. In March, 1906, it brought an infringement suit against respondent in the court below. Some informal negotiations between the parties were then had. The respondent said that it had stopped, or would stop, making the infringing motor. In form this promise appears to have been kept. It told complainant that it intended in the future to make a form of motor, which in this case has been called No. 2. Complainant had no objection to respondent making such devices and selling them if it could. Respondent did make some of them. It never made many. Whether it ever intended to may be doubted. Complainant says that they never could have been a commercial success. If respondent ever purposed to make their manufacture and sale a business, it speedily changed its mind. The evidence shows that when complainant's suit was brought—that is, in March, 1906—respondent was still making and selling its earliest type, that which in the record is called No. 1. Respondent claims that as early as the last week of April,

1906, it put its third type upon the market. This last type is that at which the present suit is directed. Complainant denies that respondent sold any of this form called No. 3 until some months later. The evidence offered by respondent to prove that it did falls short of establishing it. If it were true it would seem that respondent would have been able to show the fact beyond peradventure. On the other hand, it is certain that as early as May, 1906, Howe and Ornold made application for a patent in which they described what is substantially the motor which they were making and selling at the time the present suit was brought. Upon this application a patent No. 841,649, was issued January 15, 1907. In respondent's brief, and in the oral arguments of its counsel at this bar, much was said about this patent. It does not appear to us that it has any material bearing upon the case." (545-547)

"Respondent, however, relies upon this application for a patent and upon the making and selling of the present type of motor both, as it says, before complainant applied for a reissue, as showing that it had acquired intervening rights which could not be taken from it by anything which complainant might afterwards do.

As already stated, the fact that No. 3 motor was in any substantial sense put upon the market before complainant applied for its reissue is not proved. If it were, under the special circumstances of this case it would profit respondent naught. The evidence leaves no room for question that Howe and Ornold, from the time the former first saw complainant's device, set about appropriating it to their own uses. If, as often happens, Coffield has been so unfortunate as not to secure legal protection for his inventive idea, and as a consequence it became a part of the public domain, he and complainant must stand their loss. In that event Howe and Ornold, like everybody else, may freely use what Coffield invented but failed to keep. But nothing which Howe or Ornold *did* in this matter gained for them anything which

could without misuse of language be called *rights*. In the atmosphere of a court of equity it usually takes longer than 7 months and 16 days for intentional wrongs to ripen into intervening rights.

We have already said that in the absence of such rights complainant is entitled to all that the reissue purports to give it." (547).

Cited in *Keller* v. *Campbell*, 264 U. S. 134

AUTOPIANO CO. v. AMERICAN PLAYER ACTION CO.,
222 Fed. 276 [C. C. A. 2d] [1915]

Interval—4 months

Motive of Reissue—To effectuate protection.

Subject Matter—The patents dealt with a control for player pianos. Litigation occurred on the original patent and resulted in a holding of non-infringement. The patent owner was ill advised by a new attorney to secure a reissue in which all of the claims of the original were surrendered and certain narrow claims accepted instead. Appreciating this result, plaintiff immediately consulted his former attorney and was advised to secure a second reissue which was applied for within four months of the granting date of the first reissue and in which the claims of the original patent were restored, the claims of the first reissue patent retained and three additional claims secured. Suit on the second reissue was based on some of the claims which had appeared in the original patent, some of the new claims which first appeared in the second reissue patent, and none of the claims which were contained in the first reissue patent.

HELD

[As to intervening rights]

"Before the second reissue was granted, however, and while the public was advised that the rights which complainant claimed were those only announced to the public in the first reissue, defendant began the manufacture of player piano actions with automatic regulation of the register between note sheet and tracker bar." (282)

"That defendant entered upon the manufacture and sale of these automatic trackers before the grant of the second reissue made public the fact that complainant was making claim to the broad invention covered by the claims here in issue is fully established. That only five of these player piano actions were actually sold is immaterial. Not only the five are free from this reissue, but the business of manufacturing and selling automatic trackers of the type shown in Exhibit N, which was entered into in the belief, warranted by complainant's conduct and mistakes, that defendant's tracker would not be challenged as an infringement under either the original patent, which had been given up, or the reissue, which did not cover it, cannot be interfered with under the second reissue." (282)

"We therefore reach the conclusion that complainant is estopped from claiming infringement by this particular defendant in continuing the manufacture and sale which it entered upon while the first reissue was the only public announcement of complainant's alleged monopoly." (282)

Cited in *Keller* v. *Campbell*, 264 U. S. 134

AMERICAN AUTOMOTONEER CO. v. PORTER,
232 Fed. 456 [C. C. A. 6th] [1916]

Interval—1 year, 2 months

Motive of Reissue—To broaden the claims to remove unnecessary limitations.

Subject Matter—The patents dealt with the mechanical elements and construction of electrical controller regulators. The Court considers in detail various aspects of the reissue law and reviews many of the decisions.

HELD

[As to same invention]

"The reissue was very frankly for the sole purpose of broadening the claims. No consequential error in the specification was suggested, and the only 'inadvertence, accident, or mistake' alleged was the omission to make the additional claims which were said to have been necessary to make the monopoly or protection of the patent as broad as the invention disclosed by the specification and drawings. The mistake or inadvertence was that of the applicant, induced by a negligent or unskillful solicitor." (458)

"The claims of the original patent did not reach and protect the invention thus described. Two or three of the claims included, as elements, directly or by necessary implication, the handle and the controller rod and the jaws for locking the handle to the cover; but in such claims these elements were grouped in combination with a large number of other elements not involved in this thought, and it follows

that these claims were so narrow as not to protect broadly the idea of making the rod and cover coupling in this way." (458)

"Defendant urges that reissue for the purpose of such expansion is invalid—even if there are no 'intervening rights'—and presses upon us the Supreme Court and the Seventh Circuit decisions below cited." (459)

"It is well understood that at the time of the first statute 'specification' was an inclusive term, covering what, in later nomenclature, are identified as 'specification' and 'claims'; and though in 1870 the distinct identity of claims was recognized, it is not to be supposed that the re-enactment of this part of the act of 1836 contemplated any different definition of the terms used than had been understood and accepted with reference to the same terms in the earlier statute. Indeed, the last edition of Walker on Patents (4th Ed. §§ 111, 173) says that the claims are part of the specification. See, also, Macomber, pages 71[1] and 822[2]. Thus giving to the statute its necessary interpretation when applied to the present-day subdivision of the statutory word 'specification', we find it distinctly declared that a reissue may be

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[1] "The term 'specification' has been loosely used. In reading the decisions of earlier times, one finds it embracing description, claims, and even drawings—all that the patentee contributes to the grant—but most commonly to the description and the claims."

[2] "The term 'specification' is used in a twofold and confusing manner. As used in the statutes, it means both the descriptive portion and the claims. As commonly used by the Patent Office and by patent attorneys, it means the descriptive portion alone. The courts use the term in both ways, but the tendency in the more recent decisions is to mark the distinction as the Patent Office has done."

granted when the patent is inoperative by reason of defective or insufficient specification or claims.

The statute does not say 'wholly inoperative'; and although a patent may, in the strict sense, be operative if it grants any monopoly of anything, yet if it fails to secure to the inventor the monopoly of his actual invention, it surely does not operate according to the intent of the law."

"The further and last statutory condition is that the reissue must be for 'the same invention'. It is true that, for purposes of determining infringement, the identity of the patented invention is fixed by the claims; but to apply the same test to identity of invention as between original and reissue loses sight of the difference between the real invention and the originally patented invention, and unless there is such a difference, there is no occasion for reissue. To recognize that difference and permit it to be corrected is the whole purpose of the reissue statute; and so it seems quite destructive of the statute to assume that the identity of the actual invention is permanently declared and fixed by the form which the original claims are inadvertently allowed to take. In the same way as with reference to mistake, the question of identity is submitted to the Patent Office, and for the same reason its conclusion is to be taken as prima facie right. The last sentence of section 53 even permits the Patent Office, in certain cases, to go entirely outside the record to determine what the original invention was. It follows that only when it is clear that the reissue is not for the same invention are the courts justified in reaching that conclusion; and we take this to be the rule of the decisions hereinafter cited.

We thus see that, apparently, the statutory inoperativeness, insufficiency, and inadvertence may exist, even though the only correction to be made is to broaden the claims by omitting unnecessary limitations, and that the particular invention first claimed in the reissue, may be sufficiently

disclosed in the original merely by specification and drawing, and without express verbal reference thereto. To the contrary effect, upon one or more of these points, defendant cites the cases in the margin,[4] and insists that they establish invalidity in a reissue made for the mere purpose of broadening the claims, if in a case where the first description contains no statement of the broader concept. Some of them do contain language to this seeming effect, yet we think in each the result will be found sufficiently controlled by laches, intervening rights, rewritten and altered description or drawing or other clearly distinguishing fact. Further, it is, in some aspects, a question of fact whether the reissue is for the same invention, and these decisions are, in some measure, conclusions of fact applying to the instant case rather than of law making a rule for future cases. However all this may be, if they would otherwise have the effect claimed, they are inconsistent with Topliff v. Topliff, 145 U. S. 156, 171, 12 Sup. Ct. 825, 36 L. Ed. 658, where it is expressly declared that there may be a valid reissue for the purpose only of broadening claims, and where, if the original description indicated any broader view of the invention than the original claim declared—save by describing the actual structure—that fact was not regarded as important enough to mention in the discussion. We are satisfied to hold that the necessary insufficiency of specification may consist only in that the claims are too narrow; that the

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[4] Clements v. Odorless Co., 109 U. S. 641, 648; McMurray v. Mallory, 111 U. S. 97, 103; Turner Co. v. Dover Co., 111 U. S. 319, 326; Mahn v. Harwood, 112 U. S. 354, 357, 360; Coon v. Wilson, 113 U. S. 268, 277; Worden v. Searls, 121 U. S. 14, 24; Parker v. Yale, 123 U. S. 87, 97; Hoskin v. Fisher, 125 U. S. 217, 223; Flower v. Detroit, 127 U. S. 563, 571; Electric Co. v. Boston, 139 U. S. 481, 501; General Co. v. Richmond Co. (C. C. A. 7), 178 Fed. 84; McDowell v. Ideal Co. (C. C. A. 7), 187 Fed. 814; Peoria Co. v. Cleveland Co. (C. C. A. 6), 58 Fed. 227, 239.

necessary inadvertence or mistake may be found solely in the action of the patentee or his solicitor in framing these too narrow claims; that the original and reissue may be for the same invention although the original specification does not expressly indicate that the invention was regarded more broadly than the claims declared it; that upon all these questions, the decision of the Patent Office makes a prima facie case; and that only in a clear case of (actual or presumed) deliberate acceptance of the narrow claims or actual or presumed intervening rights or a clear case of departure from the real original invention as it may be found in the description and drawings will the courts say that the reissue is invalid. See cases cited in margin.[5]

If the original specification and drawing disclose a structure with five elements, and it is apparent that three of them make an operative combination, the other two being useful but unnecessary additions—though the possible use of three only is not mentioned—and if the claim includes all five, and so is limited to the more complex combination, there is in these facts alone no bar to a reissue securing the simpler combination of three elements if the patentee was in truth the first inventor. Upon principle, we cannot escape this conclusion, and we find no controlling decision to the con-

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[5] Battin v. Taggert, 17 How. 74; Seymour v. Osborne, 11 Wall 516, 544, 545; Mahn v. Harwood, 112 U. S. 354; Eames v. Andrews, 122 U. S. 40, 58, 59; Topliff v. Topliff, 145 U. S. 156, 165, 171; Houghton v. Whitin Wks. (C. C. A. 1), 153 Fed. 740; Thompson Co. v. Black River Co. (C. C. A. 2), 135 Fed. 759, 764; Showcase Co. v. Baker (C. C. A. 6), supra.

This view has seemingly long been followed by the Patent Office, pursuant to the fully reasoned conclusions of its controlling tribunal, the Court of Appeals of the District, by Justice Duell, former Commissioner of Patents, in In re Briede, 27 App. D. C. 298. See also, In re Heroult, 29 App. D. C. 42, 53; Nelson v. Felsing, 32 App. D. C. 420, 426; Otis v. Ingoldsby, 35 App. D. C. 102, 106.

trary. Of course, if the original claims did not touch that part of the structure to which the reissue claim pertains, a somewhat different question would arise. If the opinion cited from the Seventh Circuit (General Co. v. Richmond Co. and McDowell v. Ideal Co.) carry implications against this conclusion, they must be read with the decision of the same court in Moneyweight Co. v. Toledo Co., 187 Fed. 326, 109 C. C. A. 586, in which it is held that the original claims do not fix the identity of the actual invention. Since the claim constitutes the only statutory medium for declaring the scope of the invention, as distinguished from its structural embodiment, it seemingly must follow that an omission to specify its true breadth in the place where that is not required—the description—cannot be more fatal than the same omission in the claim, where the formulation is required." (460-462)

HELD

[As to intervening rights]

"Defendant next urges that there were 'intervening rights' which prevented such a reissue, and relies upon Clements v. Odorless Co., supra, and similar cases, as showing that the three patents issued between the date of original issue and the date of application for reissue, sufficiently constitute or evidence those intervening rights which will bar a reissue. The reissue statute fixes no limit of time within which the application must be made, and does not specify that rights, accruing to the public or to individuals, after the first issue and before the application for reissue, shall affect the latter right. Miller v. Brass Co., 104 U. S. at page 350, 26 L. Ed. 783 (see Walker [4th Ed.] § 226), which first declared this additional condition, did not elaborate the foundation reason for so doing, but we think it

must be assumed that the principle of estoppel (perhaps in favor of the public generally) is at the bottom of the rule. By the issue of a patent, the inventor dedicates to the public everything which he does not claim as his monopoly. Upon this dedication, the public has a right to rely, and if members of the public devote time and money to the manufacture of a device which the inventor has so dedicated, or to the devising, inventing and patenting of structures which embody such a feature, it may be presumed that this is done upon the faith of the dedication; and so the inventor may not be permitted thereafter to enlarge his monopoly to the prejudice of these new rights,—even though, except for them, the reissue would be permissible. The settled doctrine has come to be that from a delay of more than two years, and in the absence of any sufficient contrary evidence, these fatal intervening rights (public or private) will be presumed; in the presence of less delay, they must be proved. But see White v. Dunbar, 119 U. S. 47, 52, 7 Sup. Ct. 72, 30 L. Ed. 303; and Milloy Co. v. Thompson Co., (C. C. A. 6), 148 Fed. 843, 847, 78 C. C. A. 533.

Since a patent grants or creates no right to manufacture the thing patented, but only a right of exclusion (Swindell v. Youngstown Co., 230 Fed. 438, C. C. A. (C. C. A. 6—Feb. 8, 1916), it would seem that intervening patents, not followed by manufacture, can furnish the necessary basis for this rule (in a case of less than two years' delay) only because of the effort and expense involved in making and perfecting the inventions to which they relate; in other words, because the absence of the broad claim in the earlier patent has encouraged or misled the later patentee to make and perfect an invention which he would not have undertaken if the earlier monopoly had been wider.

In this case, each of these three patents was applied for before the issue of the Weyand original, and so, at the time of such original issue, was a pending application showing

an invention then completed and reduced to practice. Such patents, which merely go to issue in the interval, cannot raise the estoppel upon which this doctrine must at last depend—though it may be called 'public policy'. There is no evidence that the inventors under any one of them manufactured, and so they do not seem to have done anything in reliance upon the apparent dedication made in the first patent, excepting merely that they paid their final fees." (462-463)

Cited in *Sontag Stores Co.* v. *Nut Co.*, 310 U. S. 281

ASHLEY v. SAMUEL C. TATUM CO.,
240 Fed. 979 [S. D., N. Y.] [1917]

Interval—8 years

Motive of Reissue—To broaden claims to effectuate protection.

Subject Matter—The suit was on a design patent where the original patent had been excessively narrow due to mistaken formalities of the Patent Office Rules.

HELD

[As to same invention]

"This suit is for infringement of a reissue of a design patent for a glass inkstand. The original patent No. 37,504, was granted to the complainant, Frank M. Ashley, August 8, 1905, and the patent was reissued December 23, 1913. Judge Learned Hand held the original patent valid and infringed by this defendant in the case of Ashley v. Tatum (C. C.) 181 Fed. 840. That decree was reversed by the Circuit Court of Appeals (186 Fed. 339, 108 C. C. A. 539), and the patent was held valid, but not infringed. The complainants' inkstand and the alleged infringing inkstand

before the court in this suit are the same, or substantially the same, as those involved in the former suit. After the decision of the Circuit Court of Appeals, the complainant sought for a review by writ of certiorari, but the writ was refused, and thereafter a reissue was granted which is believed to have been the first reissue ever granted in the case of a design patent. The original patent was granted when the rules of the Patent Office did not permit a written description of a design patent, but only a diagram of the design. The original patent stated that the complainant, Frank M. Ashley had—

> 'invented a new, original, and ornamental design for an inkstand, of which the following is a specification, reference being had to accompanying drawing, forming part thereof. The following is a plan view of an inkstand showing my new design. I claim the ornamental design for an inkstand as shown.'

In the reissue patent, the specification sets forth that:

> 'The essential feature of my design consists in the general outline of the stand, which comprises, a low, broad, flat base surmounted by a low dome in which a funnel shape dip cup is located. Having thus described my invention, I claim an ornamental design for an inkstand, consisting of a low, broad, flat base surmounted by a low dome and a funnel shape dip cup located within the dome, substantially as shown and described.'

Judge Lacombe, writing for the Circuit Court of Appeals, in the former case of Ashley v. Tatum, supra, said:

> 'It may be that upon the state of the art at the date of his application complainant would have been entitled to a claim calculated to secure to him the dom-

nant feature of his device, with or without ornamentation, unless, indeed, the ornamentation was carried to such an extent as substantially to modify the effect produced by the contour and proportions. But there is no such claim, and no written description upon which it could be based. The circumstances that both are absent, possibly solely because the Patent Office refused to allow any written description to be filed, does not give this court the power to write such a description and claim into the patent. We must construe the claim according to the rule laid down in the Dobson case as 'covering the design as a whole, and not any part of it as a part; [testing it] as a whole—as to infringement.'

We cannot, therefore, eliminate the element shown in the drawing, viz., the absence of any applied ornamentation. That element must be held to be as essential as any other element. In defendant's inkstand, the general contour of base and dome in the same relative proportions is found; but around the lower half of the dome there is a series of circumferentially displayed facets which effect a substantial modification of appearance of the inkstand by suggesting the idea that it is made out of cut glass, instead of pressed glass. The difference between the two is readily apparent to any one —expert or nonexpert—and there seems no likelihood that, whether looked at together or apart, the one could be mistaken for the other. In our opinion, infringement of the claim has not been made out.'

It seems clear from Judge Lacombe's opinion that the Circuit Court of Appeals has held that the defendant's design was such a departure from the diagrammatic description of the complainant's design contained in the original patent that it did not infringe. Both Judge Lacombe and Judge Learned Hand held that the particular

feature of complainant's invention, which was new and meritorious, was the flat, broad base of the inkstand, surmounted by a low dome, and the pleasing effect based on the simple and useful combinations. Judge Lacombe spoke of these characteristics as the "dominant" features of the design.

It was with a view to obtaining protection for the design of any inkstand having these dominant features, and not being limited simply to the particular inkstand in use, that the complaint sought and obtained a reissue patent. In view of the rules of the Patent Office at the time the original patent was applied for, which seem to have prevented the complainant from broadly describing his invention by means of a written description, and limited him to a diagrammatic drawing. I cannot say that the original patent was not issued under a mistake, due to the belief on the part of the patentee that a diagrammatic drawing gave him all the broad rights of his invention. The question of inadvertence, accident, or mistake, unless manifest from the record, should be left to the decision of the Commissioner of Patents. Topliff v. Topliff, 145 U. S. 156, 12 Sup. Ct. 825, 36 L. Ed. 658." (980-981)

"A reissue of a design patent, the original of which was taken out at a time when the rules of the Patent Office limited the applicant to a diagrammatic description, is not open to suspicion because the claims cover the dominant features and are not limited to a verbal description of nothing more than the exact diagrammatic drawing shown in the specification of the original patent—in other words, because the claims have been broadened." (982)

[As to intervening rights]

"I think it clear that the defendant's inkstand has the dominant features described in complainant's claim in the reissue patent, and that it infringes complainant's reissue

patent, and the complainants should succeed in this suit unless they are barred by laches, or by intervening rights. Defendant's intervening rights arose out of a design patent for a so-called diamond inkstand No. 40,125, granted to S. E. Hilles, July 6, 1909—four years prior to the date of the granting of the reissue patent in suit." (981)

"Ever since the issue of its patent for the diamond inkstand granted July 6, 1909, the defendant has done a business in the manufacture and sale of these inkstands which I have held infringed complainant's reissue patent. This business appears to have been larger in the first two or three years after the issue of the Hilles patent than it has been since. While, therefore, the defendant may not have manufactured or sold large quantities of its inkstands, it is nevertheless an incontrovertible fact that it has manufactured and sold under the Hilles patent a substantial number of inkstands, and that neither the patent nor the inkstand infringed Ashley's original patent according to the construction placed thereon by the Circuit Court of Appeals. I can feel no doubt that a business of some importance has been built up by the defendant between the dates of the granting of the original patent and of the reissue, and that consequently intervening rights have arisen within the legal acceptation of the term. Under these circumstances, complainants cannot be allowed to claim infringement by this particular defendant in continuing the manufacture and sale which it entered upon while the * * * [original patent] was the only public announcement of complainant's alleged monopoly.' See Autopiano Co. v. American Player Action Co., 222 Fed. 282, 138 C. C. A. 38." (982)

"While, therefore, the reissue patent is valid and infringed, this suit cannot be maintained against this particular defendant, because of its intervening rights, and the bill must be dismissed, with costs." (982)

Cited in *Sontag Stores Co. v. Nut Co.*, 310 U. S. 281

ASHLAND FIRE BRICK CO. v. GENERAL REFRACTORIES CO., 27 F. (2d) 744 [C. C. A. 6th] [1928]

Interval—1 year.

Motive of Reissue—To cover interim non-infringing machine.

Subject Matter—The patents dealt with brick machines. The opinion was written by Judge Denison, who also wrote the opinion in American Automotoneer v. Porter, 232 Fed. 456. This is the case referred to by this Court as "lucidly" discussing the matter of intervening rights in Sontag Stores Co. v. Nut Co., 310 U. S. 281.

HELD

[As to intervening rights]

"The defense chiefly relied upon in the court below and here is that, between the date of the original issue and the application for the broadened reissue, the defendant had built and begun to operate its machines in a form which was not covered by the original patent, even though it were by the reissue, and that the defendants had thus acquired such a right, intervening with reference to the original and reissue, as to make it inequitable to enforce against it the later and broader monopoly." (745)

"The doctrine of intervening right, as a defense in an infringement case based upon a reissue patent, has never been elaborated by the Supreme Court; its nature and force must be picked out from the various assumptions of its existence and more or less incidental applications of it which that court has made. After a further study, as thorough and careful as we can make, the court as now consti-

tuted finds itself satisfied to accept and act upon and to adopt the general line of discussion found in the American-Porter Case, and to hold, as we now do, that, because the claims of the original patent were limited as to the form of conveyor, and because after the issue of the original patent and with knowledge of it and expressly appreciating its limited character, indeed, being governed therein by the advice of patent counsel, the defendant built a non-infringing brick machine, and still before the reissue application another one, at a substantial expense, and put them into commercial use on a large scale by extensively selling their product, and thus made them substantially material to its manufacturing business, the defendant thereby acquired at least a right to continue to use these two machines as if it held a license therefor under the reissued patent. The case does not require any further definition of that right.[1] The Supreme Court and the C. C. A. cases which in our judgment tend to support this conclusion are noted in the margin.[2]" (746)

"In approving and adopting the theory of estoppel to support a private intervening right in the nature of a license as against a generally valid reissue, we do not overlook the difficulty which sometimes exists in finding all the

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[1] It is also not without importance, although we do not consider it as here vital, that the plaintiff was moved to the reissue only by learning that the defendant, a competitor, had built these or one of these noninfringing machines.

[2] Mahn v. Harwood, 112 U. S. 354, 361; Coon v. Wilson, 113 U. S. 268; Parker Co. v. Yale Co., 123 U. S. 87; Topliff v. Topliff, 145 U. S. 156, 165, 169; Autopiano Co. v. American Co. (C. C. A. 2), 222 F. 276, 282; Keller v. Adams Co. (C. C. A. 9), 287 F. 838; Supreme Co. v. Security Co. (C. C. A. 9), 299 F. 65.

elements of a conventional estoppel. If, within the two-year period and before the defendant, relying on the limitations in the original patent, has acted to his prejudice (e. g., by building a noninfringing machine) the patentee had filed his application for reissue, manifestly the defendant could not claim any intervening right, although he acted upon the faith of the dedication in the original patent, being without knowledge of the reissue application. This consideration is not, we think, inconsistent with the finding of a true estoppel in a case where the reissue application had not been filed thus early. The right to claim the estoppel depends upon the dedication and its existence as a continuing offer of immunity. By his reissue application, the patentee withdraws that offer, in the only generally possible way. When the defendant acts, he knows that the offer may have been withdrawn in this effective but nonpublic way, and he takes his chances upon the existence of such a withdrawal. Lacking any legislation, the loss must fall upon the later comer." (746)

"While it must be conceded, as the court below held, that the Supreme Court has never expressly upheld the defense of a private intervening right, or distinguished from the general public intervening rights, but has recognized the unsettled character of the questions (Keller v. Adams, 264 U. S. 314, 44 S. Ct. 356, 68 L. Ed. 705), and while perhaps the basis of the two-year rule as to reissues should be called laches rather than estoppel, yet the name is not important, for it is the reliance by the public on the dedication, to the public's (presumptive) injury, which in the typical case develops mere delay into fatal laches." (747)

Cited in *Sontag Stores Co.* v. *Nut Co.*, 310 U. S. 281

MOTO METER GAUGE & EQUIPMENT CORP. v. E. A. LABORATORIES, INC. 55 F. (2d) 936
[E.2D., N. Y.] [1932]

Interval—11 months

Motive of Reissue—To add claims.

Subject Matter—The patents dealt with automobile horns.

HELD

[As to intervening rights]

"There remains for consideration an exceedingly interesting question. It is the matter of intervening rights, as effecting claims 33 and 34, arising out of the manufacture by the defendant of what was called its 'Broadway Horn.'" (939)

"It appears that the defendant began the manufacture of this horn in June or July of 1926 and continued to manufacture the horn for three years. During that time several thousand of the horns were made. The first commercial output was in January, 1927." (940)

"There seems to be no question under the authorities that, if the defendant had originated its production of the Broadway horn some time after the issuance of the original patent and before the filing of the application for the reissue patent, intervening rights would have arisen. Can it be said with force and conviction that, because such origination preceded the issuance of the original patent, the defendant acquired no such rights? The essence of the intervening rights arises out of an estoppel—and because of some act done by the defendant. To create an estoppel it would in principle seem sufficient, if any act of the pat-

entee led the defendant, between the issuance of the patent and the application for the reissue, to a course of conduct inconsistent with the claims of the later patent, even though such conduct was but a continuance of that which the defendant had done prior to the original issue." (940)

Cited in *Sontag Stores Co.* v. *Nut Co.*, 310 U. S. 281 .

CHRISTMAN v. NEW YORK AIR BRAKE CO.,
1 F. Supp. 211 [N. D., N. Y.] [1928]

Interval—1 year, 7 months

Motive of Reissue—To enlarge claims to cover interim different device.

Subject Matter—The patents dealt with piston valves for air pumps.

HELD

[As to intervening rights]

"The patentees, soon after the obtaining of the patent, offered the same for sale, to defendant among others. Correspondence, covering quite some period, passed between the parties, and resulted in the patentees shipping their device to defendant for examination. The device was returned, and the negotiations for purchase and sale were ended. Soon thereafter the patentees made claim that defendant was manufacturing and selling air pumps which infringed upon their patent. This the defendant denied, and the patentees, after investigation, seem to have conceded that the device used by defendant was not an infringement upon their patent. Immediately or soon after the discovery of this fact they made application for a reissue of the patent." (211)

"At about the time Christman and Johnson obtained their patent the defendant commenced applying piston valves to its pumps. There is some discrepancy in the evidence as to whether this device was adopted by the defendant prior to the date of the original patent to Christman and Johnson or subsequent thereto." (212)

"This sale was prior to the grant of the original patent. The construction of these pumps, made prior to the issuance of the original patent is shown to be identical with the pumps charged to infringe the reissue. Between the date of the original patent and the application for the reissue, the defendant made and sold some nineteen hundred of these pumps. Therefore the record clearly establishes that defendant did in fact make and sell, from the date of the issuance of the original patent to the time of application for the reissue, large numbers of pumps of a design not covered by the claims of the original patent but claimed to be covered by the reissue. This action on the part of the defendant seems to place it squarely within the authority of Auto Piano Company v. American Player Action Company (C. C. A.), 222 F. 276. Under the authority of last-cited case, Ashley et al. v. Samuel C. Tatum Co. (D. C.), 240 F. 979, and similar cases, complainant cannot be allowed to claim infringement of defendant in continuing the manufacture and sale which it entered upon long before the reissue." (212)

Cited in *Sontag v. National Nut*, 310 U. S. 281

WOOSTER v. HANDY, 21 Fed. 51 [C. C., S. D., N. Y.] [1884]

Interval—12 and 10 years

Motive of Reissue—To enlarge specification and claims to dominate interim different machines.

Subject Matter—There were two reissue patents in suit dealing with ruffling attachments for sewing machines.

HELD

"The rule laid down by the supreme court is, that where it is sought merely to enlarge a claim, there must be a clear mistake and inadvertence, and a speedy application for its correction, with no unreasonable delay; that, in such a case, a patentee cannot wait until other inventors have produced new forms of improvement, and then apply for such an enlargement of his claim as to make it embrace those new forms; and that when it is apparent, from a comparison of the two patents, that the reissue is made to enlarge the scope of the patent, the court may decide whether the delay was unreasonable, and the reissue, therefore, void. This view has been repeatedly asserted and applied by the supreme court in numerous cases decided since those in 104 U. S.

As to the Pipo reissue, No. 6,565, it is plain that the right to reissue was lost by the delay of more than 12 years, because the case is one of a mere expansion of the claims, beyond anything stated in the original patent as the invention, and with no proof of mistake or inadvertence, and it is sought to make the new claims embrace, in this case, structures brought into use between the time of the issue of the original patent and the time of the application for the reissue, and which were not infringements of the claim of the original patent." (54)

"The original Robjohn patent does not anywhere in the statement of invention, or in any claim, suggest that his invention was anything else but the invention of mechanism for making a band-ruffle by means of two automatic guides, one to fold in the band and the other to guide the strip to be

ruffled; or that he had invented a separator plate, or any means of ruffling a strip above a plain piece." (62)

"These studied efforts to convert the bottom of the guide, E, into something other than the bottom of a guide, and into a supporting or secondary plate, dissevered from a guide, and to introduce the feature of ruffling a strip of goods above a plain piece, in addition to ruffling it in connection with a band which has two parts, an upper part and an under part, and thus to pave the way for introducing claims 8 and 9 of the reissue, are supplemented by the introduction into the reissue of the following new matter:

> 'The ruffled strip may be stitched, as formed, on to a plain fabric introduced under the guide, E, and between the support or plate, *i*, and the feeded, *r*, the latter engaging and moving the plain fabric with the ruffle attached, while the ruffling knife or blade engages only the strip to be gathered, and carries it forward to the needle.'" (63)

"The circumstances under which the plaintiff applied for these reissues, after he thus became the owner of the two patents, and the object he had in view in doing so, are stated by himself. He was using the Pipo and Robjohn machines in the business of making ruffles. His attention was called to the Johnston ruffler and the Toof ruffler, as ruffling devices to be attached to sewing-machines; and he was applied to to sell the Robjohn patent, owned by his wife. He then examined the matter in connection with both patents, and concluded that they could be reissued with the claims now in them, so as to cover such ruffling attachments. He then purchased the Pipo patent, and took an assignment of the Robjohn patent, and applied for the reissues. The Johnson and the Toof rufflers were in the market." (64)

"There is no evidence that there was, in fact, any inadvertence, accident, or mistake." (65)

"In view of the descriptive part of the original specification, claims 8 and 9 of the reissue could not have been sustained on that specification." (66)